



Testimony of Caleb Ragland
Secretary
American Soybean Association

Before the U.S. Senate Committee on Agriculture, Nutrition, & Forestry
Subcommittee on Commodities, Risk Management, and Trade

“Commodity Programs, Credit, and Crop Insurance –
Part 1: Producer Perspectives on the Farm Safety Net”

May 2, 2023

Good morning, Chairwoman Smith, Ranking Member Hyde-Smith, and distinguished members of the subcommittee. It is a privilege to join you and offer testimony as you develop the 2023 Farm Bill.

I am a soybean farmer from Magnolia, Kentucky, and am here today representing the American Soybean Association in my current role as secretary. Founded in 1920, ASA represents more than 500,000 U.S. soybean farmers on domestic and international policy issues important to the soybean industry and has 26 affiliated state associations representing the 30 primary soybean-producing states. Farmers produce soybeans in nearly every state represented by members of this subcommittee.

Nationally, U.S. soybean farmers produced 4.28 billion bushels on over 87 million planted acres in 2022. Our soybean farmers help provide countless products needed and enjoyed by consumers, including healthy edible oils and other food ingredients, protein-rich livestock feed, and clean-burning biofuels, among others. A strong farm economy based on market opportunities for soy at home and abroad, an efficient transportation and infrastructure system that helps maintain competitiveness, and a safety net for challenging times are all critical to our success.

As the farm bill reauthorization process advances, we thank you for holding this hearing.

Farm Bill Priorities & Budget

ASA's farm bill priorities released publicly in May 2022 were developed with significant input from farmers.

In preparation for the farm bill reauthorization, ASA started the process of gathering feedback from farmers in 2021. Educational sessions for our board members and state soy affiliate staff were held, and an in-depth farm bill survey was administered to soybean growers. In early 2022, ASA held 12 virtual farm bill listening sessions—over 25 hours—with interested soybean farmers and state soy affiliates across soy's 30-state growing region.

Feedback gathered from the survey and listening sessions, combined with written comments and policy resolutions, contributed to ASA's farm bill priorities document, which is attached to my testimony.

Much attention has been dedicated to the first priority item listed regarding the budget: "Increased budget authority for the next farm bill is justified in this current environment marked by economic and geopolitical volatility. Additional resources are needed to address needs and interests throughout this comprehensive piece of legislation."

We appreciate that both the Senate and House Agriculture Committees recognize this and sent strong bipartisan letters to the Budget Committees acknowledging the needs and challenges in agriculture in recent years and the opportunity the 2023 Farm Bill provides to make meaningful

improvements. ASA led a letter signed by 400 national, regional, and state organizations and sent to the Budget Committees with a consistent message; it is attached to my testimony.

Without a doubt, the federal budget challenges are very real and complex to navigate. We ask that you keep needs in agriculture top of mind as budget discussions progress. Sufficient budgetary resources will be needed to craft a new bipartisan, comprehensive piece of legislation.

ASA's farm bill priorities in this subcommittee's jurisdiction include protecting crop insurance and its private sector delivery system, improving the farm safety net for soybeans, and increasing investment in trade promotion programs. Other priorities outside of this subcommittee's jurisdiction are also highlighted below.

Crop Insurance

Authorized by a separate statute, crop insurance does not need to be reauthorized in conjunction with the farm bill. However, we recognize that amendments to crop insurance may be offered that have a positive or negative impact on farmers like me who rely on it every year to manage risk.

In 2022, U.S. soybean farmers paid over \$1.4 billion for crop insurance protection, according to USDA Risk Management Agency (RMA) data. This risk management program allows farmers to select coverage that meets our needs each year and responds in a timely manner when losses are triggered. The competitive private sector delivery system allows farmers to find the best service providers for our operations.

ASA urges you to protect crop insurance from harmful amendments. It is the most effective and important component of the farm safety net and valuable in securing operating credit each year. This risk management tool must remain affordable and effective.

Title I Farm Safety Net

While crop insurance provides risk management when the crop is in the ground, Title I provides necessary protection beyond that period. The 2023 Farm Bill presents an opportunity to address deficiencies in the Title I farm safety net that were revealed during recent economic disruptions. A predictable, effective farm safety net is needed for the duration of the next farm bill, especially when considering USDA's February 2023 Farm Income Forecast projection of a 20.7% decline in net cash farm income in 2023 relative to 2022.

Soybean growers experienced firsthand the challenges of an ineffective safety net during the trade war with China in 2018-2019 and urge improvements in the Title I farm safety net components of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) for soybeans.

Soybeans have long been U.S. agriculture's top export crop. Foreign markets were destinations for more than 50% of U.S. soy production through whole beans, meal and oil in the last marketing year, as is historically consistent in recent years. China is the largest importer of soybeans in the world, so our commercial export relationship with China is critically important. Even with ongoing

efforts to diversify and open new markets, almost a third of all soybeans grown in the United States are destined for China under normal trade conditions.

During the height of the trade war with China in 2018, U.S. soy stopped flowing to the Chinese market in our peak export period that fall. Soybean prices dropped significantly, but we received no PLC benefits and little from the ARC program. USDA stepped in with ad hoc, temporary support to farmers through the Market Facilitation Program (MFP).

If a trade war that shrunk soybean demand by over 30% hardly triggered the farm safety net provided in the current farm bill—a Title I safety net that has been declining over the past 20 years in real terms—it is difficult to envision a scenario that would provide meaningful assistance without significant improvements to the current reference price and program elements of ARC and PLC. Adjustments to the soybean reference price and improvements to ARC would provide soybean farmers a more effective safety net.

Another challenge impacting the accessibility and effectiveness of the farm safety net is the significant disparity in recent soybean planted acres compared to base acres, the historical acreage on which ARC and PLC benefits are provided.

In 2022, soybeans were planted nationally on 87.5 million acres. By comparison, soybean base totals 53.2 million acres. Over 30 million acres of soybeans were not protected by the soybean provisions of ARC and PLC in 2022. While some of these soybean acres may have been corn or wheat base, for example, these other crops may not correlate well with the losses being experienced on the farm, such as during the trade war. Some beginning farmers have little base on their farms, and greater adoption of no-till conservation practices has enabled farmers to cultivate row crops in new areas that have no base.

An option for farmers to voluntarily update program acres based on a more recent historical time period would provide soybean farmers—including young or beginning farmers—greater access to the soybean safety net. As a young farmer, I can attest that this is sorely needed along with other safety net improvements.

ASA supports these specific improvements to increase the effectiveness, accessibility, and reliability of the Title I farm safety net:

- Increasing the soybean reference price for calculating ARC and PLC, which could be achieved through a statutory reference price change, adjustments to the effective reference price, or a combination of these
- Adjusting the ARC calculations
- Providing the option (not requirement) to update base acres to reflect a more recent, defined period of time while allowing new acres to enter the program.

It is important to note that a combination of remedies to address these deficiencies is needed. For example, if an option to update base acres is allowed, it may not be exercised if the reference price for soybeans remains where it is currently set.

Trade

The long-term success of U.S. soy abroad would not be possible without the foresight of Congress in creating public-private partnership programs at USDA to assist trade associations in promoting our products on a global stage. ASA is a longtime cooperator of these programs, particularly the Market Access Program (MAP) and the Foreign Market Development Program (FMD). Utilizing MAP and FMD funds, ASA has leveraged those resources to increase market access, address technical barriers to entry, and create demand for U.S. soy. Trade promotion programs are helpful in diversifying and expanding agricultural exports; this is particularly important as we consider rising tensions with China, the leading export market for many U.S. agricultural products.

A 2016 study commissioned by the U.S. Soybean Export Council (USSEC) shows that international marketing activities conducted on behalf of U.S. soybean growers increased soybean exports each year by an average of 993,600 metric tons (MT), or nearly 5%. For soybean meal and soybean oil, the average annual growth over that period was estimated to be somewhat larger at 15% (808,600 MT) for meal and 24% (149,600 MT) for oil.

These numbers translate to an additional \$29.60 in export revenue per \$1 spent on international promotion. At the producer level, that additional export revenue translates into a cost benefit ratio of \$10.10 of additional grower profit per \$1 spent on international promotion. While this research was undertaken in advance of the 2018 Farm Bill, the results remain unchanged: International marketing activities contribute directly to increased exports and grower revenue.

U.S. soy has used these funds to work in new and emerging export markets to grow the demand for U.S. soybeans, and we have seen great success. While we have carefully cultivated our largest export market, China, the past five years have also shown how important market diversification is for U.S. soy's long-term success. Using MAP and FMD funding, our industry has invested in growing demand in export markets outside China.

A great example is Egypt. Over the past five years, the demand for U.S. soy has increased 178%. In MY2016/2017, we exported 0.7 million metric tons (MMT). By MY2020/2021, that demand had increased to 2.67 MMT. Our partners at USSEC have used MAP and FMD funds on the ground in Egypt to facilitate trade missions with Egyptian buyers, engage in-country with the local poultry and aquaculture industries, and build an understanding of the quality of U.S. soy with Egyptian customers.

As demand in Egypt for chickens has increased, so too has the soybean crush capacity in-country. As its crush and feed sectors have evolved in recent years—especially since 2016—Egypt has moved from primarily being a soybean meal importer to importing whole soybeans, which has led to growth in its domestic crush industry. As its crush industry has grown, preference for U.S.

soybeans has grown alongside it. During the same timeframe, aquaculture in Egypt grew more than 700%, and aquafeed demand has approached 2 MMT, with soy demand of 750,000 metric tons.

Due to these critical investments made possible by MAP and FMD, Egypt now sources more than 80% of its soybean imports from the United States. This is one example of the successes investments in these programs have brought to U.S. soy.

These programs, however, are in desperate need of an increase in funding allocations. The MAP program was officially created in 1996, but authorization can be traced back to 1978, while FMD was created in 1955. The most recent data available for total export market development funding and partner contributions is from 2019 and years prior. However, MAP and FMD funding has not changed since fiscal years 2006 and 1997, respectively. Over that same time, partner funding continually grew to be about twice the level of federal resources.

To further exacerbate the stalemate in funding increases, it is clear that our international competitors are outspending us in the trade promotion arena. A recent study released by Texas A&M University shows that, under the European Union's Common Agricultural Policy (CAP), the EU allocated \$1.28 billion from 2014 to 2018 on wine promotion alone. That amounts to an average of \$256.4 million per year for one product, while the entirety of the Agricultural Trade Promotion and Facilitation Program (ATPF) allocations is \$255 million annually.

It is critical for the continued success of U.S. agriculture that Congress invest additional resources in the ATPF in the 2023 Farm Bill. ASA recommends doubling the minimum annual mandatory funding for the Market Access Program to \$400 million and the Foreign Market Development Program to \$69 million.

Outside of USDA's export promotion programs, ASA supports the international food assistance programs authorized in the farm bill. Soy is the only plant protein to offer all the essential amino acids necessary for human nutrition. The World Food Programme and other international relief organizations rely on U.S. soy protein in foods such as corn-soy-blend (CSB) as well as canned vegetable oil. These soy products have served as staples for emergency response in at least 88 countries throughout the world. With ongoing humanitarian crises in Ukraine, Yemen, Syria, Afghanistan, and Ethiopia, programs like Food for Peace Title II's distribution of food aid are even more important, and U.S. farmers play an important role in growing crops that meet the high quality requirements for these foods to remain safe for people to eat months after they are shipped from the U.S.

There have been, however, efforts over the past several farm bills to improve "flexibility" in international food assistance programs by allowing the Private Voluntary Organizations (PVOs) that partner with the U.S. Agency for International Development (USAID) to utilize more and more non-commodity options, such as cash or vouchers in food aid programs. ASA strongly opposes any proposals in the upcoming farm bill that would replace in-kind food aid with cash aid. The

American aid program is the gold standard in international aid. Ours is the largest and most diverse, reliable, and effective food security program in the world, with a track record of reducing malnutrition and increasing incomes and food supplies for very poor and vulnerable populations. The role of U.S. commodities in international food assistance programs must be maintained.

ASA also supports USDA's international food assistance programs: Food for Progress (FFPr) and McGovern-Dole Food for Education. ASA has supported the work of these two programs through its World Initiative for Soy in Human Health (WISHH), ASA's catalyst in developing and emerging markets. ASA would specifically like to raise a concern around the 2021 FFPr award, which was awarded to a sole entity: the government of Sudan. This award went against the scope and focus of FFPr, which is designed to focus on strengthening agricultural productivity and expanding trade of agricultural products.

Language in the fiscal year 2022 omnibus appropriations report addressed Congress' concern regarding this award and the precedent it could set by allocating an entire year's worth of funding to a single entity. We respectfully request the committee's attention to this issue in the next farm bill to ensure the approach is not repeated in the future by including language to prohibit USDA from awarding the entirety of the funding award to a single entity.

The programs authorized in Title III of the farm bill, from the Agricultural Trade Promotion and Facilitation Program (ATPFP) to international food aid programs, are important for the long-term success of U.S. soybean growers, and we appreciate this committee's attention in ensuring Title III programs are as robust as possible to ensure the continued success of U.S. soy growers.

Additional ASA Priorities

We appreciate the opportunity to share additional farm bill priorities outside of this subcommittee's jurisdiction.

Checkoff

Over 30 years ago, Congress passed the Soybean Promotion, Research, and Consumer Information Act, creating the United Soybean Board (USB)—an agricultural research and promotion program funded and managed directly by soybean farmers under the oversight of USDA's Agricultural Marketing Service. This program, also referred to as the soy "checkoff," finances research, promotion, and education initiatives, all of which are aimed at improving yield, sustainability, and demand for U.S. soy products.

Checkoff-driven initiatives have brought a return on investment—\$12.34 for every farmer dollar invested in the checkoff—to growers like me, who are then better able to support our families, employees, and rural communities. Examples of checkoff-funded innovations include the establishment of the soy-based biodiesel industry; development of high oleic soybeans, which have improved use in the food and industrial sectors; creation of the Soy Sustainability Assurance Protocol to verify use of sustainable farming practices for foreign buyers; and mapping of the soy

genome. The success of the American soybean farmer and the U.S. soy value chain would not be as robust as it is today, were it not for the checkoff.

I have additionally been impressed by the lengths to which the soy checkoff has gone to ensure good stewardship of the dollars entrusted to it. Stewardship of the funds collected from the 515,000 farmers in the U.S. is a top priority for the 78-member farmer board, appointed by the Secretary of Agriculture. These farmer leaders oversee all of the checkoff's investments for the benefit of *all* soybean farmers.

And because the soy checkoff uses farmer assessment money to carry out its functions, transparency and oversight of these funds is critical to protect the farmers' investments. The soy checkoff works closely with USDA's Agricultural Marketing Service to ensure compliance with all applicable legislation, regulations, and policies. This includes ongoing review of budgets and contracts, marketing communications, and advertising, which are reviewed for conflicts of interest; statements that would be false, misleading, or disparaging to another agricultural commodity or competing product; attempts to influence legislation; and more. Regular audits (by USDA, as well as third-party firms) of the national and state checkoffs further ensure that the checkoff remains transparent and compliant. The checkoff proudly shares its annual report, financial audit reports, and policy manual on its website for any member of the public who wants to review them.

As a result of the soy checkoff's accomplishments, farmer-led model, and transparent governance, farmers are overwhelmingly supportive of the existing soy checkoff structure: In the last USDA-led Request for Referendum in 2019, only 0.13% (*just about one tenth of one percent*) of eligible soybean farmers called for a referendum—many, many fewer than the 10% that would prompt a reconsideration of the checkoff's structure.

ASA urges protection of the checkoff from harmful and unnecessary amendments in the farm bill to ensure continued success.

Conservation

Soybean farmers are committed to improving soil and water and leaving the land better than they found it. ASA conducted a survey several years ago and learned that, on average, our growers implement 14 conservation practices and spend more than \$15,000 each year on conservation. On many farms, that is a substantial amount—especially during times like these with high input costs.

For years, farm bill conservation programs have been in place to help farmers cover these costs and mitigate the risks associated with implementing new practices. Unfortunately, farmer demand for voluntary, incentive-based working lands programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) always outpaces available funding: Between 2010 and 2020, just 31% of farmers who applied to EQIP and 42% of those who applied to CSP were awarded contracts.

As you develop the next farm bill, we respectfully request the committee's attention in adequately funding these programs to meet demand. ASA also encourages you to consider directing funding to programs and practices that address cropland soil quality and health, water quality and quantity, and that provide regulatory predictability and save input costs; to develop climate smart provisions that focus on total on-farm ecosystem services, not just additionality; to emphasize working lands programs over land retirement programs; and to consider incentives that encourage adoption of precision agriculture technologies, the use of which has a wide range of environmental and productivity benefits.

We ask the committee to work with appropriators to ensure NRCS—as well as other USDA agencies—has the staffing, training, and technology in place to fully implement these programs and deliver high quality service to its farmer customers. During the Commodity Classic farm trade show this spring, NRCS expressed eagerness to bring on staff quickly but also shared that it takes a multi-year time commitment to train staff adequately for farmer field visits. When the 2023 Farm Bill is enacted, we do not want it to languish in the implementation phase due to staffing concerns.

Above all, we ask that you remember that, when it comes to conservation, there is no one-size-fits-all solution. Farmers grow soybeans across the country, from New York down to Florida and west to North Dakota and Texas. The farm bill's conservation programs must be flexible enough to accommodate this country's wide range of conservation needs, crops, soil types, farming practices, and weather systems.

ASA looks forward to working with the committee as conservation provisions are developed.

Energy

The energy title provides important assistance for the development and production of biofuels—one of the biggest market opportunities for soy. In addition to environmental benefits, biomass-based diesel adds significant value to U.S. agriculture through increased demand for both soybean oil and rendered animal fats. USDA Rural Development energy programs, first authorized through the 2008 and 2014 Farm Bills, provide loan and grant opportunities for the development of renewable energy, including soy-based biofuels.

ASA supports the continued authorization of energy programs that support soy-based biofuel production, like the Biorefinery, Renewable Chemical, and Bio-based Product Manufacturing Assistance Program, which can provide loan guarantees of up to \$250 million for development of advanced biofuels; and the Advanced Biofuel Payment Program, which assists advanced biofuel producers—many of whom drive rural economies through local investments and employment.

In addition to biofuel-specific programs, ASA supports the continued success of the Rural Energy for America Program (REAP), which provides guaranteed loan and grant financing to agricultural producers and rural small businesses for renewable energy projects. While these projects can cover more than just biofuels, ASA is supportive of USDA funding that backs energy production grown by U.S. farmers. For example, last year an Iowa biodiesel facility received funding to retrofit

a facility to generate an additional 15 million gallons of production—enough to power 22,000 vehicles annually. This plant supports local Iowa soybean growers as well as the surrounding community.

ASA supports authorization of the Higher Blends Infrastructure Incentive Program (HBIIIP) in the 2023 Farm Bill. Developed under the authority of the USDA Secretary, HBIIIP provides funding to expand infrastructure to deploy biofuels nationwide for consumers. Providing additional availability for B20 and other biofuels blends will benefit both the consumer and the environment.

Biobased

In addition to biofuels, the energy title also provides important resources for the bioeconomy through the BioPreferred Program, which celebrated its 20th anniversary last year. The BioPreferred Program supports bioproduct purchases for federal agencies and contractors, as well as through the USDA Certified Biobased Products label.

There are over 1,000 soy-based bioproducts, many of which were developed by the soy checkoff and benefit from enrollment in the BioPreferred Program. These products, made with sustainably grown soy protein and oil, range from industrial lubricants and asphalt sealants to tires, paint, and artificial turf. Consumers and the public continue to increase demand for sustainably produced products; even federal agencies and institutions, including NASA, the Pentagon, the Smithsonian, and Badlands National Park, utilize countless soy biobased products.

There are economic and environmental advantages to using soy in manufacturing and consumer goods. Soybeans are renewable and abundant. As mentioned earlier in my testimony, last year U.S. growers produced over 4.2 billion bushels of soybeans, which has helped reduce America's dependence on foreign oil. Soy-based bioproducts also create jobs. Released in 2021, USDA's most recent report on the economic impact of the U.S. biobased products industry found American-made biobased products added \$470 billion and over 4.6 million direct and indirect jobs to the U.S. economy.

ASA supports reauthorization of the BioPreferred Program, and providing adequate funding will improve brand awareness and utilization of biobased products across the federal government.

Research

Investments in research through Title VII are needed for the continued growth and innovation of U.S. soybean growers. Whether the research is carried out at land grant universities through the Hatch Act or through USDA's Research, Education, and Economics (REE) mission area (including the Agricultural Research Service, the Economic Research Service, the National Institute for Food and Agriculture, and the Foundation for Food and Agriculture Research), all the interlocking components of this title have an impact on soybean growers.

Investments in research allow soybean growers to increase production and efficiency while ensuring a high-quality, affordable product for buyers and consumers. Investments can lead to

new innovations such as soybean varieties better equipped to combat plant pests and diseases, improve nutritional content, adapt to a changing global climate, and increase yield without requiring increased inputs such as fuel and fertilizer.

ASA supports increased investment in soybean-centric research—be that biobased products, input management, or new and stronger seed varieties. These will benefit not just soybean growers but the entire value chain.

Conclusion

The 2023 Farm Bill is critically important to soybean farmers and many others. ASA supports an on-time, meaningful, comprehensive, and sufficiently funded 2023 Farm Bill.

We appreciate your efforts to develop the 2023 Farm Bill and the opportunity to share testimony today. We look forward to working with you to craft meaningful legislation.



**ASA Priorities for the 2023 Farm Bill
May 25, 2022**

As the House and Senate Agriculture Committees lay the foundation for the 2023 Farm Bill, the American Soybean Association shares these initial priorities which will be further refined into more specific requests by early 2023. These priorities reflect feedback gathered from 12 virtual farm bill listening sessions held this year, an in-depth farm bill survey administered to soybean growers in late 2021, and current policy resolutions.

General

- Increased budget authority for the next farm bill is justified in this current environment marked by economic and geopolitical volatility. Additional resources are needed to address needs and interests throughout this comprehensive piece of legislation.
- Congress should maintain the agricultural and nutrition titles in the next farm bill.
- Review of USDA staffing, technological capabilities and cybersecurity, and pathways for knowledge transfer should occur to ensure readiness for farm bill implementation. Gaps should be prioritized to receive appropriations or farm bill implementation funding.
- Policy should support innovation in data collection, data analysis, and internal data sharing between USDA agencies, while emphasizing the confidentiality and nonpublic disclosure of individual producer data.

Farm Safety Net

- Crop insurance is the most effective and important component of the farm safety net and must remain affordable.
- The Title I farm safety net components of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs must be improved for soybeans. Strong consideration should be given to increasing the soy reference price combined with an option for farmers to update base acres. Planting flexibility must be maintained.
- Marketing assistance loans must be maintained, and consideration should be given to increasing marketing loan rates.
- Program eligibility should not be restricted through means testing.
- As a condition of receiving Title I and crop insurance benefits, farmers are required to meet specific environmental standards such as protecting water quality, wetlands or soil health. These should be maintained but not augmented.
- If a standing disaster assistance program is created, the financial protection provided by Title I programs and crop insurance should not be reduced to fund the disaster program, and it must not undercut or disincentivize participation in crop insurance.

Conservation

- Conservation programs must remain voluntary, incentive-based and flexible; one size does not fit all. Early adopters must be fully eligible for conservation programs. Regulatory burdens regarding program enrollment and adaptive management should be reduced.

- While all resource concerns are important, funding should be directed to programs and practices that address cropland soil quality and health, water quality and quantity, regulatory certainty and saving input costs. Funding should be directed to working land programs over land retirement programs, and the Environmental Quality Incentives Program (EQIP) should take priority over the Conservation Stewardship Program (CSP).
- Conservation Reserve Program (CRP) acres should remain approximately unchanged from current levels. Rental rate limits should remain the same or increase. Haying and grazing provisions should be revisited, both for mid-contract management and under emergency scenarios.
- Climate-smart provisions should reward farmers for overall ecosystem services provided and year-round ground cover, not just additionality. Growing Climate Solutions Act provisions should be included if not already passed.
- Incentives to encourage use of precision agriculture technologies and specialized equipment to implement certain conservation practices should be considered.

Trade

- The Market Access Program (MAP) and Foreign Market Development Program (FMD) are successful public-private partnerships which are cooperative, cost-share programs between private industry groups representing farmers and USDA. Annual funding should be doubled to \$69 million for FMD and to \$400 million for MAP.
- USDA's export credit guarantee program (GSM-102) and the Facility Guarantee Program (FGP) should continue and be fully utilized.
- International food aid programs should allow for increased flexibility for monetization requirements.

Energy

- Authorization and funding for the Bioenergy Program, the Biodiesel Fuel Education Program, and Biobased Market Program (BioPreferred Program) should be included.
- When considering on-farm renewable energy programs, priority should be placed on energy projects that utilize soybeans and other crops.

Rural Development

- Statutory authority and funding should be provided for the Higher Blends Infrastructure Incentive Program.
- Reliable broadband coverage remains out of reach for many in rural America, yet it is essential for precision agriculture technologies, farm efficiencies and community connectivity. The Broadband-ReConnect program should align with the goals of other broadband programs supported through the bipartisan infrastructure law.

Research

- Increased investment should be provided in priority areas strategic to soy interests.

Nutrition

- Opportunities to promote soy as a food ingredient should be included.

March 14, 2023

The Honorable Sheldon Whitehouse
Chairman
U.S. Senate Committee on Budget
Washington, D.C. 20510

The Honorable Jodey Arrington
Chairman
U.S. House Committee on Budget
Washington, D.C. 20515

The Honorable Chuck Grassley
Ranking Member
U.S. Senate Committee on Budget
Washington, D.C. 20510

The Honorable Brendan Boyle
Ranking Member
U.S. House Committee on Budget
Washington, D.C. 20515

Dear Chairmen Whitehouse and Arrington and Ranking Members Grassley and Boyle:

As you develop the fiscal year 2024 budget in this farm bill reauthorization year, we write to express our strong support for providing the Senate Committee on Agriculture, Nutrition, and Forestry and House Committee on Agriculture with sufficient budgetary resources to write a new bipartisan, multi-year, comprehensive, and meaningful piece of legislation.

Just as there are many pressures on the federal budget, there are many pressures on U.S. farmers and others throughout the agricultural supply chain who provide food, feed, fuel, fiber, and other products to consumers across the United States and abroad.

According to the U.S. Department of Agriculture (USDA), international sales of U.S. farm and food products reached \$196 billion in 2022. The leading market for these products is marked with geopolitical volatility: China. During the trade war with China that began in 2018, U.S. agriculture endured significant market impacts, which unfortunately revealed gaps in the farm safety net. If a trade war with our largest trading partner hardly triggered the farm safety net provided in the current farm bill – a Title I safety net that has been shrinking over the past 20 years – it is difficult to envision a scenario that would provide meaningful assistance without significant improvements. Continuing rising tensions with this important trading partner underscore the need in the next farm bill for a more meaningful, predictable farm safety net and the need to invest more into trade promotion programs to help diversify agricultural markets.

Market volatility with China is only one example of the many disruptions impacting U.S. agriculture during the life of the current farm bill. The Russian invasion of Ukraine, COVID-19 and other supply chain disruptions, non-tariff trade barriers erected by multiple countries, and devastating natural disasters have tested the effectiveness of current farm policy. Increased production input costs have as well, with USDA projecting that most expense categories will remain above their 2021 levels in 2023 both in nominal and inflation-adjusted dollars. These projected high input costs, coupled with lower projections for many crop cash receipts, are cause for concern for farm country: USDA's February 2023 Farm Income Forecast publication projects a 20.7 percent decline in net cash farm income in 2023 relative to 2022.

Projections such as this, when realized, often result in financial stress and calls for ad hoc or supplemental disaster assistance to farmers and ranchers – that is, assistance outside of the farm

bill. In fact, between 2018-2021, ad hoc assistance made up approximately 70% of direct farm payments due to challenges described above. Ad hoc assistance is necessary in times of need but is not a timely, reliable, or predictable safety net for farmers and ranchers. The upcoming farm bill reauthorization provides an opportunity to address very real needs in agriculture and rely less on off-budget ad hoc assistance.

In addition to needs highlighted above, farm bill budget resources are needed for protecting and enhancing crop insurance to assist with volatile weather and crop loss, improving access to voluntary conservation incentives, addressing rural development needs, investing in research for innovation and competitiveness, providing opportunities to help the nation become more energy independent and food secure, and supporting solutions to address logistics challenges.

Sufficient budgetary resources will be needed to craft a new bipartisan, multi-year, comprehensive, and meaningful piece of legislation. As you work to build the federal budget for fiscal year 2024, we seek your support for providing sufficient resources to the committees to craft the next farm bill.

Sincerely,

National Associations

Agricultural Retailers Association
 Amcot
 American Agri-Women
 American Association of Crop Insurers
 American Association of Veterinary Medical Colleges
 American Bankers Association
 American Cotton Producers
 American Cotton Shippers Association
 American Farm Bureau Federation
 American Farmland Trust
 American Feed Industry Association
 American Pistachio Growers
 American Pulse Association
 American Seed Trade Association
 American Society of Agronomy
 American Society of Farm Managers and Rural Appraisers
 American Society of Plant Biologists
 American Soybean Association
 American Sugar Alliance
 American Sugarbeet Growers Association
 American Veterinary Medical Association
 AmericanHort
 Aquatic Ecosystem Restoration Foundation
 Aquatic Plant Management Society

Association of Equipment Manufacturers
Biotechnology Innovation Organization
The Breakthrough Institute
Cherry Marketing Institute
Corn Refiners Association
Cotton Growers Warehouse Association
Cotton Warehouse Association of America
Cottonseed and Feed Association
Council of Producers and Distributors of Agrotechnology
Crop Insurance and Reinsurance Bureau
Crop Insurance Professionals Association
Crop Science Society of America
CropLife America
Delta Waterfowl
Ducks Unlimited
Farm Credit Council
Farm Journal Foundation
The Fertilizer Institute
Global Cold Chain Alliance
Hop Growers of America
Independent Community Bankers of America
International Certified Crop Advisers
International Dairy Foods Association
International Fresh Produce Association
National Alfalfa and Forage Alliance
National Alliance of Independent Crop Consultants
National Association of Conservation Districts
National Association of Landscape Professionals
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Barley Growers Association
National Black Growers Council
National Christmas Tree Association
National Coalition for Food and Agricultural Research
National Corn Growers Association
National Cotton Council
National Cotton Ginners Association
National Cottonseed Products Association
National Council of Farmer Cooperatives
National Council of Textile Organizations
National Farmers Union
National Grain and Feed Association
National Grange

National Milk Producers Federation
National Onion Association
National Peach Council
National Pork Producers Council
National Potato Council
National Sorghum Producers
National Sunflower Association
The Nature Conservancy
North American Blueberry Council
North American Meat Institute
North American Millers' Association
North American Renderers Association
Pheasants Forever
Quail Forever
Rural and Agriculture Council of America
Society of American Florists
Soil Science Society of America
Specialty Crop Farm Bill Alliance
Supporters of Agricultural Research (SoAR) Foundation
U.S. Apple Association
U.S. Beet Sugar Association
U.S. Canola Association
U.S. Cattlemen's Association
U.S. Durum Growers Association
U.S. Peanut Federation
U.S. Poultry & Egg Association
U.S. Rice Producers
U.S. Sweet Potato Council
USA Dry Pea & Lentil Council
USA Rice
Weed Science Society of America
Wine Institute

State and Regional Associations

Agribusiness Association of Iowa
Agricultural Council of Arkansas
Alabama Bankers Association
Alabama Cotton Commission
Alabama Farmers Federation
Alabama Soybean and Corn Association
Alaska Farm Bureau
Almond Alliance

Arizona Cotton Ginners Association
Arizona Cotton Growers
Arizona Farm Bureau Federation
Arkansas Community Bankers
Arkansas Farm Bureau Federation
Arkansas Rice Federation
Arkansas Rice Growers Association
Arkansas Soybean Association
BankIn Minnesota
Bluegrass Community Bankers Association
California Agricultural Irrigation Association
California Alfalfa & Forage Association
California Association of Wheat Growers
California Bean Shippers Association
California Cherry Growers and Industry Association
California Citrus Mutual
California Community Banking Network
California Cotton Ginners and Growers Association
California Farm Bureau Federation
California Fresh Fruit Association
California Grain & Feed Association
California Pear Growers
California Pork Producers Association
California Rice Commission
California Seed Association
California Specialty Crops Council
California State Floral Association
California Sweetpotato Council
California Table Grape Commission
California Warehouse Association
California Women for Agriculture
Carolinas Cotton Growers Cooperative
Colorado Association of Wheat Growers
Colorado Corn Growers Association
Colorado Farm Bureau
Colorado Potato Legislative Association
Community Bankers Association of Georgia
Community Bankers Association of Illinois
Community Bankers Association of Kansas
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Community Bankers of Iowa
Community Bankers of Michigan

Community Bankers of Washington
Connecticut Farm Bureau Association
Corn Growers of North Carolina
Cotton Producers of Missouri
Dairy Producers of Utah
Delaware Farm Bureau
Delta Council
Empire State Potato Growers
Florida Agri-Women
Florida Cotton Producers Association
Florida Farm Bureau Federation
Florida Fruit & Vegetable Association
Florida Rice Growers
Food Producers of Idaho
Georgia Agribusiness Council
Georgia Corn Growers Association
Georgia Cotton Commission
Georgia Farm Bureau Federation
Georgia/Florida Soybean Association
Georgia Fruit and Vegetable Growers Association
Georgia Urban Agriculture Council
Grain and Feed Association of Illinois
Hawaii Farm Bureau Federation
Hop Growers of Washington
ICBA of New Mexico
Idaho Alfalfa and Clover Seed Growers Association
Idaho Grain Producers Association
Idaho Hay and Forage Association
Idaho Hop Growers Association
Idaho Noxious Weed Control Association
Idaho Nursery & Landscape Association
Idaho Oilseed Commission
Idaho Onion Growers' Association
Idaho-Oregon Fruit and Vegetable Association
Idaho Pest Management Association
Idaho Potato Commission
Illinois Corn Growers Association
Illinois Farm Bureau
Illinois Fertilizer and Chemical Association
Illinois Soybean Association
Independent Bankers Association of New York State
Independent Banks of South Carolina
Independent Community Bankers of Colorado

Independent Community Bankers of South Dakota
Independent Community Banks of North Dakota
Indiana Bankers Association
Indiana Corn Growers Association
Indiana Farm Bureau
Indiana Soybean Alliance
Iowa Corn Growers Association
Iowa Farm Bureau Federation
Iowa Soybean Association
Kansas Agribusiness Retailers Association
Kansas Association of Wheat Growers
Kansas Corn Growers Association
Kansas Cotton Association
Kansas Cotton Ginners
Kansas Farm Bureau
Kansas Grain and Feed Association
Kansas Grain Sorghum Producers Association
Kansas Pork Association
Kansas Soybean Association
Kentucky Corn Growers Association
Kentucky Small Grain Growers Association
Kentucky Soybean Association
Louisiana Agricultural Consultants Association
Louisiana Bankers Association
Louisiana Cotton and Grain Association
Louisiana Farm Bureau Federation
Louisiana Independent Cotton Warehouse Association
Louisiana Rice Producer Group
Maine Farm Bureau Association
Maine Potato Board
Malheur County Onion Growers Association
Maryland Bankers Association
Maryland Farm Bureau
Maryland Grain Producers Association
Massachusetts Association of Lawn Care Professionals
Massachusetts Farm Bureau Federation
Michigan Agri-Business Association
Michigan Corn Growers Association
Michigan Farm Bureau
Michigan IPM Alliance
Michigan Soybean Association
Mid-Atlantic Soybean Association
Midwest Council on Agriculture

Midwest Forage Association
Minnesota Agri-Growth Council
Minnesota Area II Potato Council
Minnesota Association of Wheat Growers
Minnesota Canola Council
Minnesota Corn Growers Association
Minnesota Crop Production Retailers
Minnesota Farm Bureau Federation
Minnesota Soybean Growers Association
Mississippi Farm Bureau Federation
Mississippi Rice Council
Mississippi Soybean Association
Missouri Corn Growers Association
Missouri Farm Bureau
Missouri Independent Bankers Association
Missouri Rice Council
Missouri Soybean Association
Montana Agricultural Business Association
Montana Farm Bureau Federation
Montana Independent Bankers
Montana Potato Improvement Association
Nebraska Agri-Business Association
Nebraska Cooperative Council
Nebraska Corn Growers Association
Nebraska Dry Bean Commission
Nebraska Dry Pea and Lentil Commission
Nebraska Farm Bureau
Nebraska Independent Community Bankers
Nebraska Soybean Association
Nebraska Wheat Board
Nebraska Wheat Growers Association
Nevada Farm Bureau Federation
New Mexico Farm and Livestock Bureau
New York Corn and Soybean Growers Association
New York Farm Bureau
New York Green Industry Council
Nezperce Prairie Grass Growers Association
North Carolina Bankers Association
North Carolina Christmas Tree Association
North Carolina Cotton Producers Association
North Carolina Egg Association
The North Carolina Peanut Growers Association
North Carolina Small Grain Growers Association

North Carolina Soybean Producers Association
North Carolina State Grange
North Carolina SweetPotato Commission
North Central Weed Science Society
North Dakota Corn Growers Association
North Dakota Grain Growers Association
North Dakota Soybean Growers Association
Northarvest Bean Growers Association
Northeast Dairy Producers Association
Northeastern Weed Science Society
Northern Canola Growers Association
Northland Potato Growers Association
Northwest Agricultural Cooperative Council
NYS Agribusiness Association
Ohio AgriBusiness Association
Ohio Corn and Wheat Growers Association
Ohio Farm Bureau
Ohio Soybean Association
Oklahoma Agribusiness Retailers Association
Oklahoma Cotton Council
Oklahoma Farm Bureau
Oklahoma Grain and Feed Association
Oklahoma Seed Trade Association
Oklahoma Sorghum Growers
Oklahoma Soybean Association
Oklahoma Wheat Growers Association
Olive Oil Commission of California
Oregon Association of Nurseries
Oregon Bankers Association
Oregon Cattlemen's Association
Oregon Dairy Farmers Association
Oregon Farm Bureau
Oregon Hop Growers Association
Oregon Potato Commission
Oregon Wheat Growers League
Oregon Women for Agriculture
Oregonians for Food and Shelter
Pacific Coast Renderers Association
Pacific Egg and Poultry Association
Pacific Seed Association
Palmetto AgriBusiness Council
Panhandle Peanut Growers Association
PennAg Industries Association

Pennsylvania Association of Community Bankers
Pennsylvania Cooperative Potato Growers
Pennsylvania Farm Bureau
Plains Cotton Growers, Inc.
Plant California Alliance
PNW Canola Association
Potato Growers of Michigan, Inc.
Puget Sound Seed Growers Association
Red River Valley Sugarbeet Growers Association
Rhode Island Farm Bureau Federation
Rolling Plains Cotton Growers
San Joaquin Valley Quality Cotton Growers
Snake River Sugarbeet Growers Association
South Carolina Corn and Soybean Association
South Carolina Farm Bureau Federation
South Carolina Peach Council
South Dakota Agri-Business Association
South Dakota Corn Growers Association
South Dakota Farm Bureau
South Dakota Soybean Association
South Dakota Wheat Growers Association
South Texas Cotton and Grain Association
Southeastern Cotton Ginners Association, Inc.
Southern Cotton Ginners Association
Southern Cotton Growers, Inc.
Southern Crop Production Association
Southern Idaho Potato Cooperative
Southern Rolling Plains Cotton Producers Association
Southern Weed Science Society
Southwest Council of Agribusiness
St. Lawrence Cotton Growers Association
Synergistic Hawaii Agriculture Council
Tennessee Bankers Association
Tennessee Corn Growers Association
Tennessee Farm Bureau Federation
Tennessee Soybean Association
Texas Agri-Women
Texas Association of Dairymen
Texas Corn Producers Association
Texas Cotton Ginners Association
Texas Farm Bureau
Texas Grain Sorghum Association
Texas Rice Producers Legislative Group

Texas Soybean Association
 Texas Wheat Producers Association
 Vermont Bankers Association
 Vermont Feed Dealers and Manufacturers Association
 Virginia Agribusiness Council
 Virginia Association of Community Banks
 Virginia Cattlemen's Association
 The Virginia Christmas Tree Growers Association
 Virginia Cotton Growers
 Virginia Crop Production Association
 Virginia Farm Bureau
 Virginia Grain Producers Association
 Virginia Peanut Growers Association
 Virginia Soybean Association
 Washington Association of Wheat Growers
 Washington Farm Bureau
 Washington Friends of Farms and Forests
 Washington Mint Growers Association
 Washington Potato and Onion Association
 Washington State Potato Commission
 Western Agricultural Processors Association
 Western Alfalfa Seed Growers Association
 Western Association of Agricultural Experiment Station Directors
 Western Growers
 Western Peanut Growers Association
 Western Plant Health Association
 Western Society of Weed Science
 Wild Blueberry Commission of Maine
 Wisconsin Corn Growers Association
 Wisconsin Pork Association
 Wisconsin Potato and Vegetable Growers Association
 Wisconsin Soybean Association
 Wyoming Ag Business Association
 Wyoming Bankers Association
 Wyoming Wheat Growers Association

CC: Members of the Senate Committee on Budget
 Members of the House Committee on Budget
 Members of the Senate Committee on Agriculture, Nutrition, and Forestry
 Members of the House Committee on Agriculture